

Effective 5/10/2016

63G-7-704 Tax levy by political subdivisions for payment of claims, judgments, or insurance premiums.

- (1) Notwithstanding any provision of law to the contrary, a political subdivision may levy an annual property tax sufficient to pay:
 - (a) any claim, settlement, or judgment, including interest payments and issuance costs for bonds issued under Subsection 11-14-103(1)(d) to pay the portion of any claim, settlement, or judgment that exceeds \$3,000,000;
 - (b) the costs to defend against any claim, settlement, or judgment; or
 - (c) for the establishment and maintenance of a reserve fund for the payment of claims, settlements, or judgments that may be reasonably anticipated.
- (2)
 - (a) The payments authorized to pay for punitive damages or to pay the premium for authorized insurance is money spent for a public purpose within the meaning of this section and Article XIII, Sec. 5, Utah Constitution, even though, as a result of the levy, the maximum levy as otherwise restricted by law is exceeded.
 - (b)
 - (i) Except as provided in Subsection (2)(b)(ii), a levy under this section may not exceed .0001 per dollar of taxable value of taxable property.
 - (ii) A levy under Subsection (1)(a) to pay the portion of any claim, settlement, or judgment that exceeds \$3,000,000 may not exceed .001 per dollar of taxable value of taxable property.
 - (c) The revenues derived from this levy may not be used for any purpose other than those specified in this section.
- (3) Beginning January 1, 2012, a local school board may not levy a tax in accordance with this section.
- (4) A political subdivision that levies an annual property tax under Subsection (1)(a) to pay the portion of any claim, settlement, or judgment that exceeds \$3,000,000:
 - (a) shall comply with the notice and public hearing requirements under Section 59-2-919; and
 - (b) may levy the annual property tax until the bonds' maturity dates expire.

Amended by Chapter 386, 2016 General Session